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EXAMINER	
CARLSON, JEFFREY D	
ART UNIT	PAPER NUMBER
3622	
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)	
	10/811,605	DUKE, HARRY	
	Examiner	Art Unit	
	Jeffrey D. Carlson	3622	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE *3* MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *01 October 2008*.

2a)☒ This action is **FINAL**. 2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-38* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-38* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☐ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☒ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date *10/1/08, 11/3/08*.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

DETAILED ACTION

Claim Rejections - 35 USC § 103

1. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

2. Claims 1-38 are rejected under 35 U.S.C. 103(a) as being unpatentable over Slater (US6615190) in view of Carroll et al (2002/0023026).

3. Regarding claims 1, 5, 17-20, 35, 38, Slater teaches a funded stored value card that is given to a recipient and for whom an account is created having a certain managed balance in the stored account [abstract]. The term "gift" is not taken to positively require any particular limitation, however Slater teaches various scenarios where such an account/value card is presented to a recipient including: relocation expenses [col 6: line 53], incentive/rewards [6:56, 7:39-41], as a "coupon" to entice purchasing [7:36], or for "other reasons" [1:12], which are all taken to be examples of gifts and are therefore representative of gift card accounts. Further, the cardholder/accountholder can apply the funds in the gift account towards purchases of products at various/plural merchant points of sale (POS) similar to a debit/credit card purchase [2:35, 5:58-60]. Slater teaches that the gift card account may generate revenue generated from the "float" of unrealized funds in the account balance [6:29-35] and that interest may be awarded to the cardholder. However, Slater does not teach

investment sub-accounts. Carroll et al teaches that electronic gift certificates are deposited into a giftee's/user's account and then transferred into pre-selected investment products (i.e. sub accounts) [abstract, 0009, 0007]. The investment account therefore has a calculated net value of the total of sums associated with each investment product (subaccount) [0019]. It would have been obvious to one of ordinary skill at the time of the invention to have provided the accounts of Slater with capabilities for investment subaccounts so that the account holder can take more of a stake in realizing the revenue generating power of the float already recognized by Slater.

4. Regarding claims 2-4, 23-25, it would have been obvious to one of ordinary skill at the time of the invention to have chosen any well known investment product in a manner as taught by Carroll et al, including the known products claimed by applicant, so as to offer a wide variety of flexible investment strategies.

5. Regarding claim 6, 21, 36, 37, it would have been obvious to one of ordinary skill at the time of the invention to have calculated a net asset value of the account as often as desired, including daily as is well known, so as to provide up to date portfolio values.

6. Regarding claims 7, 8, 22, It would have been obvious to one of ordinary skill at the time of the invention to have enabled the user to transfer funds between investment products (sub accounts) at the consumer's will, especially as Carroll et al teaches that the user's have control of their investment products chosen.

7. Regarding claims 9, 10, it would have been obvious to one of ordinary skill at the time of the invention to have held funds in a clearing account until the funds were available in a manner as is well known. In order to accomplish this acceptance at plural

merchants, the gift card/account has a unique account number and is affiliated with a credit network such as VISA™ [3:46-52] which is taken to be representative of transactions sent from merchants via a banking debit network, as the transaction will debit funds from the uniquely-identified account.

8. Regarding claims 11-16, 26-31, Slater speaks of filters that are applied such as limiting card usage only for products at certain merchants categories [7:5-15]. It is clear that users of such gift cards cannot make purchases using the card that exceed their current balance, Which can be said to be an associated maximum value for each merchant. No merchant is going to allow such purchases that exceed the balance. Further, it would have been obvious to one of ordinary skill at the time of the invention for each merchant to flag unrealistic purchases as likely fraudulent, for example where a card holder attempts to make a purchase of $1,000,000.

9. As best understood regarding claims 32-34, in order to accomplish the acceptance at plural merchants, the gift card/account has a unique account number and is affiliated with a credit network such as VISA™ [3:46-52] which is taken to be representative of a unique identification number approved by the American Banking Association (ABA). It would have been obvious to one of ordinary skill at the time of the invention to have processed purchase using a swiped card including the software-driven steps of identification of the account and the proper banking network, verification of sufficient funds in the account's real-time updated balance (calculated any difference between the transaction amount and the balance; accept if funds are sufficient, deny if funds are not sufficient), settlement of the transactions in communication with a plurality

of merchant POS terminals and re-writing of the new updated balance where appropriate. These steps are a collection of standardized practices for VISA purchases and it would have been obvious to one of ordinary skill at the time of the invention to have applied the techniques to purchases made with the card/accounts of Slater in view of Carroll et al.

10. Claims 14-16, 29-31 are rejected under 35 U.S.C. 103(a) as being unpatentable over Slater in view of Carroll et al and Armes (US20010034720).

11. Regarding claims 14-16, 29-31, Armes teaches purchase limitations set by merchants including a dollar amount maximum per transaction [¶ 0056]. It would have been obvious to one of ordinary skill at the time of the invention to have provided such merchant-specified limitations (filters) in order to prevent fraudulent purchases.

Response to Arguments

12. In general applicant attempts to argue limitations the claimed invention by various interpretations of "gift card". The cited art offers various aspects of various types of cards, yet no single, clear and definitive definition of "gift card" can be found. As applicant noted the paper gift certificate has indeed evolved into big business. However different gift cards share different feature (open vs. closed, merchant-specific limitations where redemption is done in-house vs. merchant non-specific where redemption can be made over the Visa (or similar) banking network, "most gift cards are

cannot be reloaded" (as per applicant's exhibit 2), meaning that some gift cards indeed can be reloaded.

13. It is suggested that applicant claim features of the inventive card (by way of limiting the *computers* that process such cards, thereby claiming the features as programmed capabilities) rather than rely on the label of "gift card" to distinguish the instant card from other cards.

14. Applicant argues that Slater's recipient may not deposit funds in to the account. This is consistent with applicant's 'exhibit 2' which states "most gift cards cannot" be reloaded.

15. Applicant argues that Slater's characterizes the card as one which may function like a debit card, but with no associated cardholder deposit account. Well certainly there is an account which receives at least the initial funding. Not only who may or not be able to deposit does not appear to distinguish a gift card from a non-gift card, but the claims do not appear to claim such a feature other than a loose definition of a "gift card".

16. Applicant argues that Slater's cards are "significantly different that credit and debit cards", but applicant summarizes Slater himself as stating the card "may function like a debit card".

17. Applicant argues that none of Slater's scenarios describe a gift card. At least the card being used for "incentive/reward applications:" sounds to the examiner an awful lot like not only a gift scenario, but a gift card.

18. Applicant argues that "in the financial community, gift cards are considered very different from other stored value cards such as debit cards". However applicant's own

specification [background – pg 2 ¶ 9) describes a gift card system where "a gift card donor can establish a debit card account with an associated fixed sum with a bank or retail institution". Clearly applicant here defines that a "debit card" can be essentially a "gift card".

19. Applicant argues that that exhibit 2 point out that payroll cards like the stored value card of Slater and gift cards vary significantly, have different business cases and may have different regulatory restrictions. Applicant has also argued that usually gift cards include restrictive fees. First, regulatory restrictions (and a history of greedy institutions charging fees) are not taken to be technological hurdles and further may change through lawmaking or policymaking. Second, exhibit 2 states that the "profitability of prepaid cards appears to vary significantly" by product type such as gift cards and payroll cards. This is not to say that payroll cards are all that different from gift cards, nor that a payroll card couldn't ever be considered as a gift card. In fact exhibit 2 next states that profitability various even among gift cards. Lastly, exhibit 2 also states that "there are a few cases in which multiple prepaid functions are combined on one card. Examiner has seen nothing that clearly indicates that it is unreasonable to consider Slater as a gift card.

20. Applicant argues that the exhibit 2 states that profitability is "thin" on gift cards and that losing more profits by offering interest as applicant has chosen to do teaches away from doing so. This is not a convincing argument as providing a service with such a value-add as seen by the consumer can very well provide a predictable competitive advantage for card systems offering interest-back. Applicant's argument is like saying it

is not obvious to offer discounts on products because that would mean less money for a retailer. A businessman with ordinary skill would recognize that offering interest back may make sense if they can encourage more card participation and is certainly "obvious to try".

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jeffrey D. Carlson whose telephone number is 571-272-6716. The examiner can normally be reached on Monday-Fridays; off alternate Fridays.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on (571)272-6724. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Jeffrey D. Carlson/
Primary Examiner, Art Unit 3622

Jeffrey D. Carlson
Primary Examiner

Art Unit 3622

jdc